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8 Attorneys for Plaintiffs

9 **UNITED STATES BANKRUPTCY COURT**

10 **DISTRICT OF NEVADA**

11 **IN RE:**

Case No. NV-08-51131-GWZ

12 **CETUS MORTGAGE, LTD.,**

Chapter 7

13 Debtor.

Adv. No. \_\_\_\_\_

14 **CYNTHIA MORREY; RICHARD W.**  
15 **EICHHORN; MICHAEL RHOADS, as**  
16 **General Partner for SPRINGVILLE**  
17 **INVESTORS II GP and as General Partner**  
18 **for COUNTRY RHOADS ASSOCIATES**  
19 **LP; PAUL S. FEARS; STACEY NOLL**  
20 **FEARS; DEAN S. HAGEN as Trustee for**  
21 **HAGEN LIVING TRUST; IRENE J.**  
22 **HAGEN as Trustee for HAGEN LIVING**  
23 **TRUST; ELMER R. VACCHINA as Trustee**  
24 **for ELMER R. VACCHINA TRUST;**  
25 **WILLIAM H. WRIGHT as Trustee for**  
26 **WRIGHT FAMILY TRUST; ROSALIE M.**  
27 **WRIGHT as Trustee for WRIGHT FAMILY**  
28 **TRUST; STEVEN A. TUTTLE; NANCY R.**  
**TUTTLE; OPAL A. SMITH as Trustee of the**  
**survivor's trust under the LEONARD W.**  
**AND OPAL A. SMITH FAMILY TRUST;**  
**GEORGE M. DIXON; JANIS A. DIXON;**  
**ELSEY D. HARDEN as Trustee of**  
**HARDEN 1992 FAMILY TRUST; MARIE**  
**JEANNE HARDEN as Trustee of HARDEN**  
**1992 FAMILY TRUST; MICHAEL**  
**BENNING; LORI BENNING; BARBARA**  
**D. BEAL as Trustee for BARBARA D.**  
**BEAL LIVING TRUST; HELEN L. NOLTE**  
**as Trustee for HELEN L. NOLTE LIVING**  
**TRUST; CARY P. YOUNG; ERIN M.**  
**YOUNG; PHILIP L. GREEN; DONNA M.**  
**GREEN; RAY P. HOGLAND as Trustee for**  
**2002 HOGLAND TRUST; WILLIAM H.**  
**JEPHSON as Trustee for JEPHSON**  
**FAMILY TRUST; ELEANOR J. JEPHSON**

**COMPLAINT FOR JUDICIAL  
FORECLOSURE, DECLARATORY  
RELIEF**

1 as Trustee for JEPHSON FAMILY TRUST;  
2 RANDALL R. RUCH as Trustee for  
3 SCHUYKILL VALLEY SPORTING  
4 GOODS, INC. PROFIT SHARING PLAN;  
5 GERALD WILLIAMS as Trustee for  
6 SCHUYKILL VALLEY SPORTING  
7 GOODS, INC. PROFIT SHARING PLAN;  
8 JAY SCHAEFFER, VICTOR ALAN  
9 PERRY as Trustee for VICTOR ALAN  
10 PERRY, LLC DEFINED BENEFIT  
11 PENSION PLAN; and SHARLENE JONES  
12 as executor for IRENE S. K. CHUN  
13 (deceased).

14 Plaintiffs,

15 vs.

16 RONALD E. OSBORN; BRENT P.  
17 OSBORN; OSBORN DEVELOPMENT,  
18 CO., LLC, a Nevada limited liability  
19 company, RV & YACHT I, LLC, a Nevada  
20 limited liability company; BILL BOOTH;  
21 LAVONE BOOTH; GENE E.  
22 MCCLELLAND as Trustee for  
23 MCCLELLAND LIVING TRUST;  
24 PATRICIA L. MCCLELLAND as Trustee  
25 for MCCLELLAND LIVING TRUST;  
26 GEORGE C. SCHUMACHER; TERRY  
27 ANNE SCHUMACHER; DUANE E.  
28 FLESHMAN; JOHNNIE M. FLESHMAN;  
STACY L. DOUTRE as custodian for  
DEREK M. DOUTRE; RAJEN N. BHATT;  
GINO V. MOTL; JOANNE  
TOMASIEWICZ; PEGGY LAKEY;  
RODGER LAKEY; WILLIAM T. HIGGS;  
JUDY E. HIGGS; KELVIN R. LAIRD;  
ROBERT J. FRICKE as Successor Trustee of  
the FRICKE 2001 FAMILY TRUST;  
DARLENE LUSTER; DEBRA LYNN  
HORTON; HAZEL M. SIMMONS;  
MARJORIE M. JONES; CHARLES E.  
SLAVIN as Trustee for SLAVIN FAMILY  
REVOCABLE TRUST; PATRICIA E.  
SLAVIN as Trustee for SLAVIN FAMILY  
REVOCABLE TRUST; PETER ALBERT  
JEPHSON; ETHEL G. JEPHSON;  
QUARLES G. GELTZ, JR.; LOA JEAN  
GELTZ; STEPHEN F. GIES; SHARON  
GIES; RICHARD P. ASH as Trustee for  
RICHARD P. AND MARY L. ASH 1990  
FAMILY TRUST; MARY L. ASH as  
Trustee for RICHARD P. AND MARY L.  
ASH 1990 FAMILY TRUST; GEORGE M.  
DIXON as Trustee for DIXON ELECTRIC

1 PENSION PLAN TRUST; JENNIFER  
2 HICKOK; VERONICA DORRIE as Trustee  
3 for VERONICA DORRIE TRUST; JEANNE  
4 W. KEITH; RAY K. KEITH; HENRY L.  
5 CLARK as Trustee for HENRY L. CLARK  
6 AND ROBERTA L. CLARK 1993 FAMILY  
7 TRUST; ROBERTA L. CLARK as Trustee  
8 for HENRY L. CLARK AND ROBERTA L.  
9 CLARK 1993 FAMILY TRUST; JENNIFER  
10 R. HICKOK; C/F JAMISON LEIGH  
11 LUNDEMO; CAROL E. PORTA as Trustee  
12 for CAROL R. PORTA REVOCABLE  
13 TRUST; GAYLE ROBINSON; MICHAEL  
14 JOHN PONTRELLI as Trustee for  
15 PONTRELLI FAMILY TRUST; NORMA  
16 JEAN PONTRELLI as Trustee for  
17 PONTRELLI FAMILY TRUST;  
18 JONATHAN EDWARD ARNOW as  
19 Trustee for TESSA ARNOW TRUST;  
20 CLYDE R. BROWN as Trustee for BROWN  
21 FAMILY TRUST; SHARAN L. BROWN as  
22 Trustee for BROWN FAMILY TRUST;  
23 CYNTHIA G. DAVIS as Trustee for  
24 SECONDED AMENDED CYNTHIA G.  
25 DAVIS LIVING TRUST DATED JULY 1,  
26 2004; TRACE W. GEIL; MARY A.  
27 GIANNOTTI as Trustee for GIANNOTTI  
28 FAMILY BYPASS TRUST CREATED  
UNDER THE GIANNOTTI 1990  
REVOCABLE TRUST DATED OCTOBER  
23, 1990; BEVERLY WALLACE; LOIS G.  
ROBINSON; JOHN R. LINDELL as Trustee  
for LINDELL'S PAINTING SERVICE  
MONEY PURCHASE PENSION PLAN  
AGREEMENT; BARBARA A. LINDELL as  
Trustee for LINDELL'S PAINTING  
SERVICE MONEY PURCHASE PENSION  
PLAN AGREEMENT; SHERRI KEY as  
Trustee for LINDELL'S PAINTING  
SERVICE MONEY PURCHASE PENSION  
PLAN AGREEMENT; ANGELIQUE  
CLARK as Trustee for CETUS  
MORTGAGE; and STOREY COUNTY,  
NEVADA

Defendants.

\_\_\_\_\_  
Plaintiffs CYNTHIA MORREY; RICHARD W. EICHHORN; MICHAEL  
RHOADS, as General Partner for SPRINGVILLE INVESTORS II GP and as General  
Partner for COUNTRY RHOADS ASSOCIATES LP; PAUL S. FEARS; STACEY NOLL

1 FEARS; DEAN S. HAGEN as Trustee for HAGEN LIVING TRUST; IRENE J. HAGEN as  
 2 Trustee for HAGEN LIVING TRUST; ELMER R. VACCHINA as Trustee for ELMER R.  
 3 VACCHINA TRUST; WILLIAM H. WRIGHT as Trustee for WRIGHT FAMILY TRUST;  
 4 ROSALIE M. WRIGHT as Trustee for WRIGHT FAMILY TRUST; STEVEN A. TUTTLE;  
 5 NANCY R. TUTTLE; OPAL A. SMITH as Trustee of the survivor's trust under the  
 6 LEONARD W. AND OPAL A. SMITH FAMILY TRUST; GEORGE M. DIXON; JANIS  
 7 A. DIXON; ELSEY D. HARDEN as Trustee of HARDEN 1992 FAMILY TRUST; MARIE  
 8 JEANNE HARDEN as Trustee of HARDEN 1992 FAMILY TRUST; MICHAEL  
 9 BENNING; LORI BENNING; BARBARA D. BEAL as Trustee for BARBARA D. BEAL  
 10 LIVING TRUST; HELEN L. NOLTE as Trustee for HELEN L. NOLTE LIVING TRUST;  
 11 CARY P. YOUNG; ERIN M. YOUNG; PHILIP L. GREEN; DONNA M. GREEN; RAY P.  
 12 HOGLAND as Trustee for 2002 HOGLAND TRUST; WILLIAM H. JEPHSON as Trustee  
 13 for JEPHSON FAMILY TRUST; ELEANOR J. JEPHSON as Trustee for JEPHSON  
 14 FAMILY TRUST; RANDALL R. RUCH as Trustee for SCHUYKILL VALLEY  
 15 SPORTING GOODS, INC. PROFIT SHARING PLAN; GERALD WILLIAMS as Trustee  
 16 for SCHUYKILL VALLEY SPORTING GOODS, INC. PROFIT SHARING PLAN; JAY  
 17 SCHAEFFER, and VICTOR ALAN PERRY as Trustee for VICTOR ALAN PERRY, LLC  
 18 DEFINED BENEFIT PENSION PLAN (hereinafter "Plaintiffs"),  
 19 as and for their complaint against Defendants RONALD E. OSBORN; BRENT P.  
 20 OSBORN; OSBORN DEVELOPMENT, CO., LLC, a Nevada limited liability company,  
 21 RV & YACHT I, LLC, a Nevada limited liability company; BILL BOOTH; LAVONE  
 22 BOOTH; GENE E. MCCLELLAND as Trustee for MCCLELLAND LIVING TRUST;  
 23 PATRICIA L. MCCLELLAND as Trustee for MCCLELLAND LIVING TRUST; GEORGE  
 24 C. SCHUMACHER; TERRY ANNE SCHUMACHER; DUANE E. FLESHMAN;  
 25 JOHNNIE M. FLESHMAN; STACY L. DOUTRE as custodian for DERREK M. DOUTRE;  
 26 RAJEN N. BHATT; GINO V. MOTL; JOANNE TOMASIEWICZ; PEGGY LAKEY;  
 27 RODGER LAKEY; WILLIAM T. HIGGS; JUDY E. HIGGS; KELVIN R. LAIRD;  
 28 ROBERT J. FRICKE as Successor Trustee of the FRICKE 2001 FAMILY TRUST;

1 DARLENE LUSTER; DEBRA LYNN HORTON; HAZEL M. SIMMONS; MARJORIE M.  
2 JONES; CHARLES E. SLAVIN as Trustee for SLAVIN FAMILY REVOCABLE TRUST;  
3 PATRICIA E. SLAVIN as Trustee for SLAVIN FAMILY REVOCABLE TRUST; PETER  
4 ALBERT JEPHSON; ETHEL G. JEPHSON; CHARLES G. GELTZ, JR.; LOA JEAN  
5 GELTZ; STEPHEN F. GIES; SHARON GIES; RICHARD P. ASH as Trustee for  
6 RICHARD P. AND MARY L. ASH 1990 FAMILY TRUST; MARY L. ASH as Trustee for  
7 RICHARD P. AND MARY L. ASH 1990 FAMILY TRUST; GEORGE M. DIXON as  
8 Trustee for DIXON ELECTRIC PENSION PLAN TRUST; JENNIFER HICKOK;  
9 VERONICA DORRIE as Trustee for VERONICA DORRIE TRUST; JEANNE W. KEITH;  
10 RAY K. KEITH; HENRY L. CLARK as Trustee for HENRY L. CLARK AND ROBERTA  
11 L. CLARK 1993 FAMILY TRUST; ROBERTA L. CLARK as Trustee for HENRY L.  
12 CLARK AND ROBERTA L. CLARK 1993 FAMILY TRUST; JENNIFER R. HICKOK;  
13 C/F JAMISON LEIGH LUNDEMO; CAROL E. PORTA as Trustee for CAROL R. PORTA  
14 REVOCABLE TRUST; GAYLE ROBINSON; MICHAEL JOHN PONTRELLI as Trustee  
15 for PONTRELLI FAMILY TRUST; NORMA JEAN PONTRELLI as Trustee for  
16 PONTRELLI FAMILY TRUST; JONATHAN EDWARD ARNOW as Trustee for TESSA  
17 ARNOW TRUST; CLYDE R. BROWN as Trustee for BROWN FAMILY TRUST;  
18 SHARAN L. BROWN as Trustee for BROWN FAMILY TRUST; CYNTHIA G. DAVIS as  
19 Trustee for SECONDED AMENDED CYNTHIA G. DAVIS LIVING TRUST DATED  
20 JULY 1, 2004; TRACE W. GEIL; MARY A. GIANNOTTI as Trustee for GIANNOTTI  
21 FAMILY BYPASS TRUST CREATED UNDER THE GIANNOTTI 1990 REVOCABLE  
22 TRUST DATED OCTOBER 23, 1990; BEVERLY WALLACE; LOIS G. ROBINSON;  
23 JOHN R. LINDELL as Trustee for LINDELL'S PAINTING SERVICE MONEY  
24 PURCHASE PENSION PLAN AGREEMENT; BARBARA A. LINDELL as Trustee for  
25 LINDELL'S PAINTING SERVICE MONEY PURCHASE PENSION PLAN  
26 AGREEMENT; SHERRI KEY as Trustee for LINDELL'S PAINTING SERVICE MONEY  
27 PURCHASE PENSION PLAN AGREEMENT; ANGELIQUE CLARK as Trustee for  
28 CETUS MORTGAGE; and STOREY COUNTY(hereinafter "Defendants"), hereby state and

1 allege as follows:

2 **JURISDICTION**

3 1. This Court has jurisdiction of this proceeding pursuant to 28 U.S.C. §§157(a)  
4 and 1334 and LR 1001.

5 2. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A) and (O).

6 3. Venue is proper in this court by reason of 28 U.S.C. §1409.

7 **PARTIES**

8 **Plaintiffs**

9 4. Plaintiff CYNTHIA MORREY, at all times mentioned herein, is and was an  
10 individual residing in Washoe County, Nevada.

11 5. Plaintiff RICHARD W. EICHHORN, at all times mentioned herein, is and  
12 was an individual residing in the state of Pennsylvania. EICHHORN has given a limited  
13 power of attorney to Plaintiff Morrey authorizing her to manage this litigation and to  
14 eventually liquidate the PROPERTY and to receive proportionate reimbursement for  
15 expenditures incurred in this litigation.

16 6. Plaintiff MICHAEL RHOADS, at all times mentioned herein, is and was an  
17 individual residing in the state of Pennsylvania, and is and was a General Partner for  
18 SPRINGVILLE INVESTORS II GP and a General Partner for COUNTRY RHOADS  
19 ASSOCIATES LP. RHOADS has given a limited power of attorney to Plaintiff Morrey  
20 authorizing her to manage this litigation and to eventually liquidate the PROPERTY and to  
21 receive proportionate reimbursement for expenditures incurred in this litigation.

22 7. Plaintiff PAUL S. FEARS, at all times mentioned herein, is and was an  
23 individual residing in the state of Pennsylvania. FEARS has given a limited power of  
24 attorney to Plaintiff Morrey authorizing her to manage this litigation and to eventually  
25 liquidate the PROPERTY and to receive proportionate reimbursement for expenditures  
26 incurred in this litigation.

27 8. Plaintiff STACEY NOLL FEARS, at all times mentioned herein, is and was  
28 an individual residing in the state of Pennsylvania. FEARS has given a limited power of

1 attorney to Plaintiff Morrey authorizing her to manage this litigation and to eventually  
2 liquidate the PROPERTY and to receive proportionate reimbursement for expenditures  
3 incurred in this litigation.

4 9. Plaintiff DEAN S. HAGEN, at all times mentioned herein, is and was an  
5 individual residing in the state of Florida, and is and was a Trustee for HAGEN LIVING  
6 TRUST. HAGEN has given a limited power of attorney to Plaintiff Morrey authorizing her  
7 to manage this litigation and to eventually liquidate the PROPERTY and to receive  
8 proportionate reimbursement for expenditures incurred in this litigation.

9 10. Plaintiff IRENE J. HAGEN, at all times mentioned herein, is and was an  
10 individual residing in the state of Florida, and is and was a Trustee for HAGEN LIVING  
11 TRUST. HAGEN has given a limited power of attorney to Plaintiff Morrey authorizing her  
12 to manage this litigation and to eventually liquidate the PROPERTY and to receive  
13 proportionate reimbursement for expenditures incurred in this litigation.

14 11. Plaintiff ELMER R. VACCHINA, at all times mentioned herein, is and was  
15 an individual residing in Washoe County, Nevada, and is and was a Trustee for ELMER R.  
16 VACCHINA TRUST. VACCHINA has given a limited power of attorney to Plaintiff  
17 Morrey authorizing her to manage this litigation and to eventually liquidate the PROPERTY  
18 and to receive proportionate reimbursement for expenditures incurred in this litigation.

19 12. Plaintiff ROSALIE M. WRIGHT, at all times mentioned herein, is and was  
20 an individual residing in the state of California and is and was a Trustee for WRIGHT  
21 FAMILY TRUST. WRIGHT has given a limited power of attorney to Plaintiff Morrey  
22 authorizing her to manage this litigation and to eventually liquidate the PROPERTY and to  
23 receive proportionate reimbursement for expenditures incurred in this litigation.

24 13. Plaintiff WILLIAM H. WRIGHT was an individual residing in the state of  
25 California and is now deceased. WRIGHT has given a limited power of attorney to Plaintiff  
26 Morrey authorizing her to manage this litigation and to eventually liquidate the PROPERTY  
27 and to receive proportionate reimbursement for expenditures incurred in this litigation.

28 14. Plaintiff STEVEN A. TUTTLE, at all times mentioned herein, is and was an



1 individual residing in Washoe County, Nevada. TUTTLE has given a limited power of  
2 attorney to Plaintiff Morrey authorizing her to manage this litigation and to eventually  
3 liquidate the PROPERTY and to receive proportionate reimbursement for expenditures  
4 incurred in this litigation.

5 15. Plaintiff NANCY R. TUTTLE, at all times mentioned herein, is and was an  
6 individual residing in Washoe County, Nevada. TUTTLE has given a limited power of  
7 attorney to Plaintiff Morrey authorizing her to manage this litigation and to eventually  
8 liquidate the PROPERTY and to receive proportionate reimbursement for expenditures  
9 incurred in this litigation.

10 16. Plaintiff OPAL A. SMITH, at all times mentioned herein, is and was an  
11 individual residing in Washoe County, Nevada, and is and was a Trustee of the survivor's  
12 trust under the LEONARD W. AND OPAL A. SMITH FAMILY TRUST. SMITH has  
13 given a limited power of attorney to Plaintiff Morrey authorizing her to manage this  
14 litigation and to eventually liquidate the PROPERTY and to receive proportionate  
15 reimbursement for expenditures incurred in this litigation.

16 17. Plaintiff GEORGE M. DIXON, at all times mentioned herein, is and was an  
17 individual residing in Washoe County, Nevada. DIXON has given a limited power of  
18 attorney to Plaintiff Morrey authorizing her to manage this litigation and to eventually  
19 liquidate the PROPERTY and to receive proportionate reimbursement for expenditures  
20 incurred in this litigation.

21 18. Plaintiff JANIS A. DIXON was an individual residing in Washoe County,  
22 Nevada, and is now deceased. DIXON has given a limited power of attorney to Plaintiff  
23 Morrey authorizing her to manage this litigation and to eventually liquidate the PROPERTY  
24 and to receive proportionate reimbursement for expenditures incurred in this litigation.

25 19. Plaintiff ELSEY D. HARDEN, at all times mentioned herein, is and was an  
26 individual residing in Washoe County, Nevada, and is and was a Trustee for HARDEN 1992  
27 FAMILY TRUST. HARDEN has given a limited power of attorney to Plaintiff Morrey  
28 authorizing her to manage this litigation and to eventually liquidate the PROPERTY and to



1 receive proportionate reimbursement for expenditures incurred in this litigation.

2 20. Plaintiff MARIE JEANNE HARDEN, at all times mentioned herein, is and  
3 was an individual residing in Washoe County, Nevada, and is and was a Trustee for  
4 HARDEN 1992 FAMILY TRUST. HARDEN has given a limited power of attorney to  
5 Plaintiff Morrey authorizing her to manage this litigation and to eventually liquidate the  
6 PROPERTY and to receive proportionate reimbursement for expenditures incurred in this  
7 litigation.

8 21. Plaintiff MICHAEL BENNING, at all times mentioned herein, is and was an  
9 individual residing in Washoe County, Nevada. BENNING has given a limited power of  
10 attorney to Plaintiff Morrey authorizing her to manage this litigation and to eventually  
11 liquidate the PROPERTY and to receive proportionate reimbursement for expenditures  
12 incurred in this litigation.

13 22. Plaintiff LORI BENNING, at all times mentioned herein, is and was an  
14 individual residing in Washoe County, Nevada. BENNING has given a limited power of  
15 attorney to Plaintiff Morrey authorizing her to manage this litigation and to eventually  
16 liquidate the PROPERTY and to receive proportionate reimbursement for expenditures  
17 incurred in this litigation.

18 23. Plaintiff BARBARA D. BEAL, at all times mentioned herein, is and was an  
19 individual residing in Washoe County, Nevada, and is and was a Trustee for BARBARA D.  
20 BEAL LIVING TRUST. BEAL has given a limited power of attorney to Plaintiff Morrey  
21 authorizing her to manage this litigation and to eventually liquidate the PROPERTY and to  
22 receive proportionate reimbursement for expenditures incurred in this litigation.

23 24. Plaintiff HELEN L. NOLTE, at all times mentioned herein, is and was an  
24 individual residing in Washoe County, Nevada, and is and was a Trustee for HELEN L.  
25 NOLTE LIVING TRUST. NOLTE has given a limited power of attorney to Plaintiff Morrey  
26 authorizing her to manage this litigation and to eventually liquidate the PROPERTY and to  
27 receive proportionate reimbursement for expenditures incurred in this litigation.

28 25. Plaintiff CARY P. YOUNG, at all times mentioned herein, is and was an

1 individual residing in Washoe County, Nevada. YOUNG has given a limited power of  
2 attorney to Plaintiff Morrey authorizing her to manage this litigation and to eventually  
3 liquidate the PROPERTY and to receive proportionate reimbursement for expenditures  
4 incurred in this litigation.

5 26. Plaintiff ERIN M. YOUNG, at all times mentioned herein, is and was an  
6 individual residing in Washoe County, Nevada. YOUNG has given a limited power of  
7 attorney to Plaintiff Morrey authorizing her to manage this litigation and to eventually  
8 liquidate the PROPERTY and to receive proportionate reimbursement for expenditures  
9 incurred in this litigation.

10 27. Plaintiff PHILLIP L. GREEN, at all times mentioned herein, is and was an  
11 individual residing in the state of Colorado. GREEN has given a limited power of attorney  
12 to Plaintiff Morrey authorizing her to manage this litigation and to eventually liquidate the  
13 PROPERTY and to receive proportionate reimbursement for expenditures incurred in this  
14 litigation.

15 28. Plaintiff DONNA M. GREEN, at all times mentioned herein, is and was an  
16 individual residing in the state of Colorado. GREEN has given a limited power of attorney  
17 to Plaintiff Morrey authorizing her to manage this litigation and to eventually liquidate the  
18 PROPERTY and to receive proportionate reimbursement for expenditures incurred in this  
19 litigation.

20 29. Plaintiff RAY P. HOGLAND, at all times mentioned herein, is and was an  
21 individual residing in Washoe County, Nevada, and is and was a Trustee for 2002  
22 HOGLAND TRUST. HOGLAND has given a limited power of attorney to Plaintiff Morrey  
23 authorizing her to manage this litigation and to eventually liquidate the PROPERTY and to  
24 receive proportionate reimbursement for expenditures incurred in this litigation.

25 30. Plaintiff WILLIAM H. JEPHSON, at all times mentioned herein, is and was  
26 an individual residing in Washoe County, Nevada, and is and was a Trustee for JEPHSON  
27 FAMILY TRUST. JEPHSON has given a limited power of attorney to Plaintiff Morrey  
28 authorizing her to manage this litigation and to eventually liquidate the PROPERTY and to

1 receive proportionate reimbursement for expenditures incurred in this litigation.

2 31. Plaintiff ELEANOR J. JEPHSON, at all times mentioned herein, is and was  
3 an individual residing in Washoe County, Nevada, and is and was a Trustee for JEPHSON  
4 FAMILY TRUST. JEPHSON has given a limited power of attorney to Plaintiff Morrey  
5 authorizing her to manage this litigation and to eventually liquidate the PROPERTY and to  
6 receive proportionate reimbursement for expenditures incurred in this litigation.

7 32. Plaintiff RANDALL R. RUCH, at all times mentioned herein, is and was an  
8 individual residing in the state of Pennsylvania, and is and was a Trustee for SCHUYKILL  
9 VALLEY SPORTING GOODS, INC. PROFIT SHARING PLAN. RUCH has given a  
10 limited power of attorney to Plaintiff Morrey authorizing her to manage this litigation and to  
11 eventually liquidate the PROPERTY and to receive proportionate reimbursement for  
12 expenditures incurred in this litigation.

13 33. Plaintiff JAY SCHAEFFER, at all times mentioned herein, is and was an  
14 individual residing in the state of Pennsylvania. SCHAEFFER has given a limited power of  
15 attorney to Plaintiff Morrey authorizing her to manage this litigation and to eventually  
16 liquidate the PROPERTY and to receive proportionate reimbursement for expenditures  
17 incurred in this litigation

18 34. Plaintiff VICTOR ALAN PERRY as Trustee for VICTOR ALAN PERRY,  
19 LLC DEFINED BENEFIT PENSION PLAN, is a resident of the State of Nevada, County of  
20 Washoe. PERRY has given a limited power of attorney to Plaintiff Morrey authorizing her  
21 to manage this litigation and to eventually liquidate the PROPERTY and to receive  
22 proportionate reimbursement for expenditures incurred in this litigation.

23 35. Plaintiff SHARLENE JONES as executor for IRENE S. K. CHUN  
24 (deceased), is a resident of the State of Washington. JONES has given a limited power of  
25 attorney to Plaintiff Morrey authorizing her to manage this litigation and to eventually  
26 liquidate the PROPERTY and to receive proportionate reimbursement for expenditures  
27 incurred in this litigation.

28

**Defendants**

36. Plaintiff is informed and believes and thereon alleges that Defendant RONALD E. OSBORN, is a resident of the State of Nevada, County of Washoe.

37. Plaintiff is informed and believes and thereon alleges that Defendant BRENT P. OSBORN, is a resident of the State of Nevada, County of Washoe.

38. Plaintiff is informed and believes and thereon alleges that Defendant OSBORN DEVELOPMENT, CO., LLC, is a Nevada limited liability company with Defendant BRENT P. OSBORN or Defendant RONALD E. OSBORN acting as manager.

39. Plaintiff is informed and believes and thereon alleges that Defendant RV & YACHT I, LLC, is a Nevada limited liability company with Defendant BRENT P. OSBORN or Defendant RONALD E. OSBORN acting as manager.

40. Plaintiff is informed and believes and thereon alleges that Defendant BILL BOOTH, is a resident of the State of Nevada, County of Lyon.

41. Plaintiff is informed and believes and thereon alleges that Defendant LAVONE BOOTH, is a resident of the State of Nevada, County of Lyon.

42. Plaintiff is informed and believes and thereon alleges that Defendant GENE E. MCCLELLAND as Trustee for MCCLELLAND LIVING TRUST, is a resident of the State of Nevada, County of Washoe.

43. Plaintiff is informed and believes and thereon alleges that Defendant PATRICIA L. MCCLELLAND as Trustee for MCCLELLAND LIVING TRUST, is a resident of the State of Nevada, County of Washoe.

44. Plaintiff is informed and believes and thereon alleges that Defendant GEORGE C. SCHUMACHER, is a resident of the State of Illinois.

45. Plaintiff is informed and believes and thereon alleges that Defendant TERRY ANNE SCHUMACHER, is a resident of the State of Illinois.

46. Plaintiff is informed and believes and thereon alleges that Defendant DUANE E. FLESHMAN, is a resident of the State of Florida.

47. Plaintiff is informed and believes and thereon alleges that Defendant

1 JOHNNIE M. FLESHMAN, is a resident of the State of Florida.

2 48. Plaintiff is informed and believes and thereon alleges that Defendant STACY  
3 L. DOUTRE as custodian for DEREK M. DOUTRE, is a resident of the State of Nevada,  
4 County of Washoe.

5 49. Plaintiff is informed and believes and thereon alleges that Defendant RAJEN  
6 N. BHATT, is a resident of the State of Nevada, County of Washoe.

7 50. Plaintiff is informed and believes and thereon alleges that Defendant GINO  
8 V. MOTL, is a resident of the State of Florida.

9 51. Plaintiff is informed and believes and thereon alleges that Defendant  
10 JOANNE TOMASIEWICZ, is a resident of the State of Florida.

11 52. Plaintiff is informed and believes and thereon alleges that Defendant PEGGY  
12 LAKEY, is a resident of the State of Nevada, County of Washoe.

13 53. Plaintiff is informed and believes and thereon alleges that Defendant  
14 RODGER LAKEY, is a resident of the State of Nevada, County of Washoe.

15 54. Plaintiff is informed and believes and thereon alleges that Defendant  
16 WILLIAM T. HIGGS, is a resident of the State of Nevada, County of Washoe.

17 55. Plaintiff is informed and believes and thereon alleges that Defendant JUDY  
18 E. HIGGS, is a resident of the State of Nevada, County of Washoe.

19 56. Plaintiff is informed and believes and thereon alleges that Defendant  
20 KELVIN R. LAIRD, is a resident of the State of Nevada, County of Washoe.

21 57. Plaintiff is informed and believes and thereon alleges that Defendant  
22 ROBERT J. FRICKE as Successor Trustee of the FRICKE 2001 FAMILY TRUST, is a  
23 resident of the State of Nevada, County of Washoe.

24 58. Plaintiff is informed and believes and thereon alleges that Defendant  
25 DARLENE LUSTER, is a resident of the State of Nevada, County of Washoe.

26 59. Plaintiff is informed and believes and thereon alleges that Defendant DEBRA  
27 LYNN HORTON, is a resident of the State of Nevada, County of Washoe.

28 60. Plaintiff is informed and believes and thereon alleges that Defendant HAZEL

1 M. SIMMONS, is a resident of the State of Nevada, County of Washoe.

2 61. Plaintiff is informed and believes and thereon alleges that Defendant  
3 MARJORIE M. JONES, is a resident of the State of Nevada, County of Washoe.

4 62. Plaintiff is informed and believes and thereon alleges that Defendant  
5 CHARLES E. SLAVIN as Trustee for SLAVIN FAMILY REVOCABLE TRUST, is a  
6 resident of the State of Nevada, County of Washoe.

7 63. Plaintiff is informed and believes and thereon alleges that Defendant  
8 PATRICIA E. SLAVIN as Trustee for SLAVIN FAMILY REVOCABLE TRUST, is a  
9 resident of the State of Nevada, County of Washoe.

10 64. Plaintiff is informed and believes and thereon alleges that Defendant PETER  
11 ALBERT JEPHSON, is a resident of the State of Idaho.

12 65. Plaintiff is informed and believes and thereon alleges that Defendant ETHEL  
13 G. JEPHSON, is a resident of the State of Idaho.

14 66. Plaintiff is informed and believes and thereon alleges that Defendant  
15 CHARLES G. GELTZ, JR., is a resident of the State of Utah.

16 67. Plaintiff is informed and believes and thereon alleges that Defendant LOA  
17 JEAN GELTZ, is a resident of the State of Utah.

18 68. Plaintiff is informed and believes and thereon alleges that Defendant  
19 STEPHEN F. GIES, is a resident of the State of California.

20 69. Plaintiff is informed and believes and thereon alleges that Defendant  
21 SHARON GIES, is a resident of the State of California.

22 70. Plaintiff is informed and believes and thereon alleges that Defendant  
23 RICHARD P. ASH as Trustee for RICHARD P. AND MARY L. ASH 1990 FAMILY  
24 TRUST, is a resident of the State of Nevada, County of Washoe.

25 71. Plaintiff is informed and believes and thereon alleges that Defendant MARY  
26 L. ASH as Trustee for RICHARD P. AND MARY L. ASH 1990 FAMILY TRUST, is a  
27 resident of the State of Nevada, County of Washoe.

28 72. Plaintiff is informed and believes and thereon alleges that Defendant

1 GEORGE M. DIXON as Trustee for DIXON ELECTRIC PENSION PLAN TRUST, is a  
2 resident of the State of Nevada, County of Washoe.

3 74. Plaintiff is informed and believes and thereon alleges that Defendant  
4 JENNIFER HICKOK, is a resident of the State of Nevada, County of Washoe.

5 75. Plaintiff is informed and believes and thereon alleges that Defendant  
6 VERONICA DORRIE as Trustee for VERONICA DORRIE TRUST, is a resident of the  
7 State of Nevada, County of Washoe.

8 76. Plaintiff is informed and believes and thereon alleges that Defendant  
9 JEANNE W. KEITH, is a resident of the State of Florida.

10 77. Plaintiff is informed and believes and thereon alleges that Defendant RAY K.  
11 KEITH, is a resident of the State of Florida.

12 78. Plaintiff is informed and believes and thereon alleges that Defendant HENRY  
13 L. CLARK as Trustee for HENRY L. CLARK AND ROBERTA L. CLARK 1993 FAMILY  
14 TRUST, is a resident of the State of Nevada, County of Washoe.

15 79. Plaintiff is informed and believes and thereon alleges that Defendant  
16 ROBERTA L. CLARK as Trustee for HENRY L. CLARK AND ROBERTA L. CLARK  
17 1993 FAMILY TRUST, is a resident of the State of Nevada, County of Washoe.

18 80. Plaintiff is informed and believes and thereon alleges that Defendant  
19 JENNIFER R. HICKOK, is a resident of the State of Nevada, County of Washoe.

20 81. Plaintiff is informed and believes and thereon alleges that Defendant C/F  
21 JAMISON LEIGH LUNDEMO, is a resident of the State of Nevada, County of Washoe.

22 82. Plaintiff is informed and believes and thereon alleges that Defendant CAROL  
23 E. PORTA as Trustee for CAROL R. PORTA REVOCABLE TRUST, is a resident of the  
24 State of Nevada, County of Washoe.

25 83. Plaintiff is informed and believes and thereon alleges that Defendant GAYLE  
26 ROBINSON, is a resident of the State of Nevada, County of Washoe.

27 84. Plaintiff is informed and believes and thereon alleges that Defendant  
28 MICHAEL JOHN PONTRELLI as Trustee for PONTRELLI FAMILY TRUST, is a resident



1 of the State of Nevada, County of Washoe.

2 85. Plaintiff is informed and believes and thereon alleges that Defendant  
3 NORMA JEAN PONTRELLI as Trustee for PONTRELLI FAMILY TRUST, is a resident  
4 of the State of Nevada, County of Washoe.

5 86. Plaintiff is informed and believes and thereon alleges that Defendant  
6 JONATHAN EDWARD ARNOW as Trustee for TESSA ARNOW TRUST, is a resident of  
7 the State of Nevada, County of Washoe.

8 87. Plaintiff is informed and believes and thereon alleges that Defendant CLYDE  
9 R. BROWN as Trustee for BROWN FAMILY TRUST, is a resident of the State of Nevada,  
10 County of Washoe.

11 88. Plaintiff is informed and believes and thereon alleges that Defendant  
12 SHARAN L. BROWN as Trustee for BROWN FAMILY TRUST, is a resident of the State  
13 of Nevada, County of Washoe.

14 89. Plaintiff is informed and believes and thereon alleges that Defendant  
15 CYNTHIA G. DAVIS as Trustee for SECONDED AMENDED CYNTHIA G. DAVIS  
16 LIVING TRUST DATED JULY 1, 2004, is a resident of the State of Nevada, County of  
17 Washoe.

18 90. Plaintiff is informed and believes and thereon alleges that Defendant TRACE  
19 W. GEIL, is a resident of the State of Nevada, County of Washoe.

20 91. Plaintiff is informed and believes and thereon alleges that Defendant MARY  
21 A. GIANNOTTI as Trustee for GIANNOTTI FAMILY BYPASS TRUST CREATED  
22 UNDER THE GIANNOTTI 1990 REVOCABLE TRUST DATED OCTOBER 23, 1990, is  
23 a resident of the State of Nevada, County of Washoe.

24 92. Plaintiff is informed and believes and thereon alleges that Defendant  
25 BEVERLY WALLACE, is a resident of the State of New York.

26 93. Plaintiff is informed and believes and thereon alleges that Defendant LOIS G.  
27 ROBINSON, is a resident of the State of Nevada, County of Washoe.

28 94. Plaintiff is informed and believes and thereon alleges that Defendant JOHN

1 R. LINDELL as Trustee for LINDELL'S PAINTING SERVICE MONEY PURCHASE  
2 PENSION PLAN AGREEMENT, is a resident of the State of Nevada, County of Washoe.

3 95. Plaintiff is informed and believes and thereon alleges that Defendant  
4 BARBARA A. LINDELL as Trustee for LINDELL'S PAINTING SERVICE MONEY  
5 PURCHASE PENSION PLAN AGREEMENT, is a resident of the State of Nevada, County  
6 of Washoe.

7 96. Plaintiff is informed and believes and thereon alleges that Defendant SHERRI  
8 KEY as Trustee for LINDELL'S PAINTING SERVICE MONEY PURCHASE PENSION  
9 PLAN AGREEMENT, is a resident of the State of Nevada, County of Washoe.

10 97. Defendant ANGELIQUE CLARK as Trustee for CETUS MORTGAGE, is a  
11 resident of the State of Nevada, County of Washoe.

12 98. Defendant STOREY COUNTY, is a political subdivision of the State of  
13 Nevada.

14

15

#### **GENERAL ALLEGATIONS**

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#### **FIRST NOTE and FIRST DEED OF TRUST**

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100. In or around May of 2007, one or more CETUS representatives contacted  
various private lenders to fund a loan to Defendants RONALD E. OSBORN and BRENT P.  
OSBORN, hereinafter referred to as THE OSBORNS, and including OSBORN  
DEVELOPMENT CO., LLC.

25

26

27

28

101. Plaintiffs, also sometimes referred to herein as THE FIRST RV PARK  
LENDERS, agreed to fund a \$1,700,000 loan to Defendant OSBORN DEVELOPMENT  
CO. LLC. ("FIRST LOAN").

102. THE FIRST RV PARK LENDERS based their decision to fund the \$1.7 million FIRST LOAN to THE OSBORNS on many factors, including the development proposed for the PROPERTY, as described below, the terms of the loan, and the recommendations of CETUS representative Marcilyn Benvin.

103. On or about May 17, 2007, Defendants OSBORN DEVELOPMENT CO. LLC, RONALD E. OSBORN and BRENT P. OSBORN executed a Promissory Note in favor of FIRST RV PARK LENDERS ("FIRST NOTE"). Pursuant to the terms of the FIRST NOTE, OSBORN DEVELOPMENT CO. LLC and THE OSBORNS promised to pay the principal sum of \$1,700,000 plus interest at the rate of 10% per annum to the FIRST RV PARK LENDERS. According to the terms of the FIRST NOTE, payments of interest only were to be paid commencing June 30, 2007, and continuing through May 31, 2008, at which time the entire unpaid balance plus accrued interest was immediately due and payable.

104. Repayment of the FIRST NOTE is secured by a deed of trust ("FIRST DEED OF TRUST") encumbering 10 acres of unimproved real PROPERTY (the "PROPERTY") located in the Tahoe Reno Industrial Center east of Reno, Nevada. THE FIRST DEED OF TRUST was recorded May 31, 2007 in the official records of Storey County, Nevada as document 106796.

105. On May 31, 2007, the FIRST RV PARK LENDERS obtained a lenders' policy of insurance from FIRST AMERICAN TITLE INSURANCE COMPANY insuring the FIRST DEED OF TRUST in senior position on the PROPERTY.

#### **CCRS AND RECORD OF SURVEY**

106. On October 4, 2007, THE OSBORNS recorded a Declaration of Covenants, Conditions and Restrictions ("CCRs") purporting to restrict and condition the use of the PROPERTY. The CCRs were recorded in the official records of Storey County, Nevada as document 107749.

107. On November 19, 2007, THE OSBORNS recorded a Record of Survey and the Provisions, Dedications, Easements and Notes ("Record of Survey") for the

1 PROPERTY. The Record of Survey was recorded in the official records of Storey County,  
2 Nevada as document 108015.

3 108. Plaintiffs are informed and believe and thereon allege that the intended  
4 purpose of the Record of Survey was to 'divide' the PROPERTY into 254 separate assessors  
5 parcels and to utilize a series of those parcels as collateral for additional loans brokered  
6 through CETUS.

7 109. Plaintiffs are informed and believe and thereon allege that the STOREY  
8 COUNTY authorities improperly, and without statutory or other authority, permitted THE  
9 OSBORNS to record the Record of Survey.

10 110. Plaintiffs are informed and believe and thereon allege that the STOREY  
11 COUNTY authorities placed certain obligations on THE OSBORNS to take certain steps  
12 and to do certain things within the 12 month period following November 19, 2007 and that  
13 none of those requirements have been met by THE OSBORNS.

14 111. On March 20, 2008, Defendant OSBORN DEVELOPMENT, LLC executed a  
15 deed transferring title to the PROPERTY to Defendant RV & YACHT, I, LLC. The deed  
16 was recorded in the official records of Storey County, Nevada as document 108654.

17 112. Plaintiffs are informed and believe and thereon allege that on or about April 18,  
18 2008, Defendant RV & YACHT I, LLC, with the assistance of CETUS, but without the  
19 consent or knowledge of the FIRST RV PARK LENDERS, attempted to subdivide the  
20 PROPERTY into different parcels.

21 113. Plaintiffs are informed and believe and thereon allege that Defendant RV &  
22 YACHT I, LLC sought additional financing through CETUS which resulted in additional  
23 loans from various lenders, repayment of which was secured by separate deeds of trust  
24 encumbering the PROPERTY which had been divided into approximately 254 parcels.

25 114. Unknown to Plaintiffs, CETUS recorded additional deeds of trust against  
26 portions of the PROPERTY naming each of them as beneficiaries on some but not all of the  
27 parcels. CETUS did not seek permission from these Plaintiffs to be granted a beneficial  
28 interest in subordinate deeds of trusts, nor did CETUS take steps to attempt to reconvey the

1 beneficial interests held by these Plaintiffs in the FIRST NOTE and FIRST DEED OF  
2 TRUST.

3  
4 **JUNIOR NOTE ONE AND JUNIOR DEED OF TRUST ONE**

5 115. Plaintiffs are informed and believe and thereon allege that on or about  
6 November 16, 2007, more than four months before it had an interest in the PROPERTY,  
7 Defendant RV & YACHT I, LLC executed a promissory note in the amount of \$250,000  
8 ("JUNIOR NOTE ONE").

9 116. Repayment of JUNIOR NOTE ONE is purportedly secured by a deed of trust  
10 encumbering a portion of the PROPERTY ("JUNIOR DEED OF TRUST ONE"). JUNIOR  
11 DEED OF TRUST ONE was recorded April 18, 2008 in the official records of Storey  
12 County, Nevada as document 108878.

13 117. The payees and beneficiaries of JUNIOR NOTE ONE and JUNIOR DEED OF  
14 TRUST ONE, respectively, are :

- 15 • Defendants BILL BOOTH and LAVONE BOOTH, husband and wife  
16 as joint tenants, as to an undivided 40.00% interest;
- 17 • Defendants GENE E. MCCLELLAND and PATRICIA L.  
18 MCCLELLAND, Trustees or their successors in trust, under the  
19 MCCLELLAND LIVING TRUST, as to an undivided 20.00%  
20 interest;
- 21 • Defendants GEORGE C. SCHUMACHER and TERRY ANNE  
22 SCHUMACHER, husband and wife as joint tenants, as to an  
23 undivided 20.00% interest;
- 24 • Defendants DUANE E. FLESHMAN and JOHNNIE M.  
25 FLESHMAN, husband and wife as joint tenants, as to an undivided  
26 8.00% interest;
- 27 • Defendant STACY L. DOUTRE, custodian for DEREK M. DOUTRE  
28 NV/UTMA until age 25, as to an undivided 6.80% interest;

- Defendant RAJEN N. BHATT, a single man, as to an undivided 4.20% interest;
- Defendant CETUS MORTGAGE, LTD., a Nevada corporation, as to an undivided 1.00% interest.

118. Plaintiffs are informed and believe and thereon allege that JUNIOR DEED OF TRUST ONE purports to encumber Assessor's Parcel Numbers 004-433-25 thru 31 and 004-433-56 thru 64.

**JUNIOR NOTE TWO AND JUNIOR DEED OF TRUST TWO**

119. Plaintiffs are informed and believe and thereon allege that on or about November 16, 2007, more than four months before it had an interest in the PROPERTY Defendant RV & YACHT I, LLC executed a promissory note in the amount of \$380,000 ("JUNIOR NOTE TWO").

120. Repayment of JUNIOR NOTE TWO is purportedly secured by a deed of trust encumbering a portion of the PROPERTY ("JUNIOR DEED OF TRUST TWO"). JUNIOR DEED OF TRUST TWO was recorded April 18, 2008 in the official records of Storey County, Nevada as document 108880.

121. The payees and beneficiaries of JUNIOR NOTE TWO and JUNIOR DEED OF TRUST TWO, respectively, include:

- Defendants PEGGY LAKEY and RODGER LAKEY, wife and husband as joint tenants, as to an undivided 10.52% interest;
- Defendants WILLIAM T. HIGGS and JUDY E. HIGGS husband and wife as joint tenants with right of survivorship, as to an undivided 9.21% interest;
- Defendant KELVIN R. LAIRD, a single woman, as to an undivided 1.32% interest.

- Defendants GINO V. MOTL, an unmarried man or JOANNE TOMASIEWICZ, a married woman, as to an undivided 78.95% interest;

122. Plaintiffs are informed and believe and thereon allege that JUNIOR DEED OF TRUST TWO purports to encumber APNs 004-432-12 thru 22 and 004-432-34 thru 45.

**JUNIOR NOTE THREE AND JUNIOR DEED OF TRUST THREE**

123. Plaintiffs are informed and believe and thereon allege that on or about April 4, 2008, Defendant RV & YACHT I, LLC executed a promissory note in the amount of \$400,000 ("JUNIOR NOTE THREE").

124. Repayment of JUNIOR NOTE THREE is purportedly secured by a deed of trust encumbering a portion of the PROPERTY ("JUNIOR DEED OF TRUST THREE"). JUNIOR DEED OF TRUST THREE was recorded April 18, 2008 in the official records of Storey County, Nevada as document 108881.

125. The payees and beneficiaries of JUNIOR NOTE THREE and JUNIOR DEED OF TRUST THREE, respectively, include:

- Defendant DARLENE LUSTER, an unmarried woman, as to an undivided 17.50% interest;
- Defendant DEBRA LYNN HORTON, an unmarried woman, as to an undivided 13.75% interest;
- Defendant HAZEL M. SIMMONS, an unmarried woman and MARJORIE M. JONES a married woman as her sole and separate PROPERTY, as to an undivided 12.50% interest;
- Defendants QUARLES E. SLAVIN and PATRICIA E. SLAVIN Trustees of the SLAVIN FAMILY REVOCABLE TRUST AGREEMENT DATED APRIL 24, 1995, as to an undivided 10.00% interest;



- Defendants PETER ALBERT JEPHSON and ETHEL G. JEPHSON, husband and wife as joint tenants, as to an undivided 5.00% interest;
- Defendants QUARLES G. GELTZ JR. and LOA JEAN GELTZ, husband and wife as joint tenants with right of survivorship, as to an undivided 3.75% interest.

126. Plaintiffs are informed and believe and thereon allege that JUNIOR DEED OF TRUST THREE purports to encumber encumbers APNs 004-433-01 thru 06.

**JUNIOR NOTE FOUR AND JUNIOR DEED OF TRUST FOUR**

127. Plaintiffs are informed and believe and thereon allege that on or about November 16, 2007, more than four months before it had an interest in the PROPERTY Defendant RV & YACHT I, LLC executed a promissory note in the amount of \$500,000 ("JUNIOR NOTE FOUR").

128. Repayment of JUNIOR NOTE FIVE is purportedly secured by a deed of trust encumbering a portion of the PROPERTY ("JUNIOR DEED OF TRUST FOUR"). JUNIOR DEED OF TRUST FOUR was recorded April 18, 2008 in the official records of Storey County, Nevada as document 108882.

129. The payees and beneficiaries of JUNIOR NOTE FOUR and JUNIOR DEED OF TRUST FOUR, respectively, include :

- Defendants STEPHEN F. GIES and SHARON GIES, husband and wife as joint tenants, as to an undivided 22.00% interest;
- Defendants RICHARD P. ASH and MARY L. ASH, as Trustees for the RICHARD P. AND MARY L. ASH 1990 FAMILY TRUST, as to an undivided 20.00% interest;
- Defendant JENNIFER HICKOK, a married woman as her sole and separate PROPERTY, as to an undivided 12.00% interest;
- Defendant VERONICA DORRIE, as Trustee for VERONICA DORRIE TRUST, as to an undivided 12.00% interest;

- Defendants JEANNE W. KEITH and RAY K. KEITH, wife and husband as joint tenants, as to an undivided 5.00% interest;
- Defendants HENRY L. CLARK and ROBERTA L. CLARK, as Trustees for U/T/A JANUARY 14, 1993 HENRY L. CLARK AND ROBERTA L. CLARK 1993 FAMILY TRUST, as to an undivided 3.00% interest;
- Defendant JENNIFER R. HICKOK, C/F JAMISON LEIGH LUNDEMO, as to an undivided 3.00% interest.

130. Plaintiffs are informed and believe and thereon allege that JUNIOR DEED OF TRUST FOUR purports to encumber APNs 004-434-16 thru 31 and 004-434-60 thru 75.

**JUNIOR NOTE FIVE AND JUNIOR DEED OF TRUST FIVE**

131. Plaintiffs are informed and believe and thereon allege that on or about November 16, 2007, more than four months before it had an interest in the PROPERTY Defendant RV & YACHT I, LLC executed a promissory note in the amount of \$775,000 ("JUNIOR NOTE FIVE").

132. Repayment of JUNIOR NOTE FIVE is purportedly secured by a deed of trust encumbering a portion of the PROPERTY ("JUNIOR DEED OF TRUST FIVE"). JUNIOR DEED OF TRUST FIVE was recorded April 18, 2008 in the official records of Storey County, Nevada as document 108883.

133. The payees and beneficiaries of JUNIOR NOTE FIVE and JUNIOR DEED OF TRUST FIVE, respectively, include :

- Defendant CAROL E. PORTA, as Trustee for the CAROL R. PORTA REVOCABLE TRUST, as to an undivided 17.42% interest;
- Defendant GAYLE ROBINSON, a single woman, as to an undivided 16.13% interest;

- Defendant ROBERT J. FRICKE, as Successor Trustee of the FRICKE 2001 FAMILY TRUST AGREEMENT, dated January 9, 2001, as to an undivided 12.90% interest;
- Defendants MICHAEL JOHN PONTRELLI and NORMA JEAN PONTRELLI, as Trustees of the PONTRELLI FAMILY TRUST dated January 8, 2004, as to an undivided 12.90% interest;
- Defendant JONATHAN EDWARD ARNOW, as Trustee of the TESSA ARNOW TRUST, as to an undivided 6.45% interest;
- Defendants CLYDE R. BROWN and SHARAN L. BROWN, as Trustees of the BROWN FAMILY TRUST, as to an undivided 6.45% interest;
- Defendants CYNTHIA G. DAVIS as Trustee for the SECOND AMENDED CYNTHIA G. DAVIS LIVING TRUST dated July 1, 2004 and TRACE W. GEIL, an unmarried woman as joint tenants, as to an undivided 6.45% interest;
- Defendant MARY A. GIANNOTTI, as Trustee of the GIANNOTTI FAMILY BYPASS TRUST CREATED UNDER THE GIANNOTTI 1990 REVOCABLE TRUST dated October 23, 1990, as to an undivided 6.45% interest;
- Defendant BEVERLY WALLACE, An unmarried woman, as to an undivided 6.45% interest;
- Defendant LOIS G. ROBINSON, An unmarried woman, as to an undivided 1.94% interest.

134. Plaintiffs are informed and believe and thereon allege that JUNIOR DEED OF TRUST FIVE purports to encumber APNs 004-435-01 thru 52.

1 **JUNIOR NOTE SIX AND JUNIOR DEED OF TRUST SIX**

2 135. Plaintiffs are informed and believe and thereon allege that on or about  
3 November 16, 2007, more than four months before it had an interest in the PROPERTY,  
4 Defendant RV & YACHT I, LLC executed a promissory note in the amount of \$400,000  
5 ("JUNIOR NOTE SIX").

6 136. Repayment of JUNIOR NOTE SIX is purportedly secured by a deed of trust  
7 encumbering a portion of the PROPERTY ("JUNIOR DEED OF TRUST SIX"). JUNIOR  
8 DEED OF TRUST SIX was recorded April 18, 2008 in the official records of Storey  
9 County, Nevada as document 108884.

10 137. The payees and beneficiaries of JUNIOR NOTE SIX and JUNIOR DEED OF  
11 TRUST SIX, respectively, include :

- 12 • Defendants JOHN R. LINDELL and BARBARA A. LINDELL and  
13 SHERRI KEY, as Trustees of the LINDELL'S PAINTING SERVICE  
14 MONEY PURCHASE PENSION PLAN AGREEMENT, as to an  
15 undivided 65.00% interest;
- 16 • Defendant CETUS MORTGAGE, LTD., a Nevada corporation, as to  
17 an undivided 0.25% interest.

18 138. Plaintiffs are informed and believe and thereon allege that JUNIOR DEED  
19 OF TRUST SIX purports to encumber APNs 004-432-01 thru 11 and 004-432-23 thru 33.

20  
21 **DEFAULT**

22 139. THE OSBORNS have defaulted under the FIRST NOTE by, among other  
23 things, failing to make the interest payments when due and by failing to pay the full principal  
24 balance along with accrued interest due on May 31, 2008.

25 140. There now remains due, owing and payable the principal sum of \$1,700,000  
26 plus accrued interest, together with late charges and costs and legal expenses as set forth in  
27 the FIRST NOTE, all according to proof at time of trial or entry of judgment.

28

1 141. Pursuant to the terms of the FIRST NOTE, THE OSBORNS agreed to pay  
2 reasonable attorneys' fees incurred by the FIRST RV PARK LENDERS.

3 142. The FIRST RV PARK LENDERS desire to enforce their rights pursuant to the  
4 FIRST NOTE and under applicable Nevada law.

5 143. Plaintiffs are informed and believe and thereon allege that THE OSBORNS are  
6 also in default on their obligations to the payees and beneficiaries purporting to hold the  
7 interests in JUNIOR NOTES AND DEEDS OF TRUST ONE through SIX.

8 144. Plaintiffs are informed and believe and thereon allege that each of the  
9 respective payees and beneficiaries purporting to hold the interests in JUNIOR NOTES  
10 AND DEEDS OF TRUST ONE through SIX claim a senior secured position against all or a  
11 portion of the PROPERTY.

12 145. Plaintiffs have been required to engage counsel to obtain a determination of  
13 their rights under their FIRST NOTE and FIRST DEED OF TRUST and have incurred fees  
14 and costs in doing so.

15  
16 **FIRST CLAIM FOR RELIEF**

17 **(Judicial Foreclosure)**

18 146. Plaintiffs reallege and incorporate by reference paragraphs 1 through 145 as  
19 if fully set forth herein.

20 147. THE OSBORNS executed the FIRST NOTE AND FIRST DEED OF TRUST  
21 in favor of Plaintiffs.

22 148. THE OSBORNS defaulted under the terms of the FIRST NOTE AND FIRST  
23 DEED OF TRUST by, among other things, failing to make the interest payments when due  
24 and by failing to pay the full principal balance along with accrued interest due on May 31,  
25 2008.

26 149. There now remains due, owing and payable the principal sum of \$1,700,000,  
27 plus accrued interest, together with late charges and costs and legal expenses as set forth in  
28

1 FIRST NOTE AND FIRST DEED OF TRUST all according to proof at time of trial or entry  
2 of judgment.

3 150. Pursuant to the terms of the FIRST NOTE AND FIRST DEED OF TRUST  
4 THE OSBORNS agreed to pay reasonable attorneys' fees incurred by Plaintiffs.

5 151. Plaintiffs have duly performed all the conditions precedent on their part that  
6 are required to be performed.

7

8

## SECOND CLAIM FOR RELIEF

9

### (Declaratory Relief)

10 152. Plaintiffs reallege and incorporate by reference paragraphs 1 through 151 as  
11 if fully set forth herein.

12 153. Plaintiffs' FIRST DEED OF TRUST was recorded May 31, 2007 in the  
13 official records of Storey County, Nevada as document 106796. The beneficial interest in  
14 the FIRST DEED OF TRUST has never been reconveyed.

15 154. Defendants' JUNIOR NOTES AND DEEDS OF TRUST ONE through SIX  
16 were recorded in Storey County, Nevada, sequentially, as documents 108878, 108880,  
17 108881, 108882, 108883 and 108884, on April 18, 2008.

18 155. An actual controversy exists between Plaintiffs and Defendants, including  
19 CLARK as the Trustee of the CETUS estate, as to the nature, and priority of the  
20 encumbrances on the PROPERTY represented by the FIRST DEED OF TRUST and  
21 JUNIOR DEEDS OF TRUST ONE through SIX.

22 156. Plaintiffs assert that their FIRST NOTE secured by the FIRST DEED OF  
23 TRUST is senior in time and thus senior in priority as an encumbrance on the PROPERTY.

24 157. Plaintiffs are informed and believe that Defendants and each of them dispute  
25 that their security represented by JUNIOR DEEDS OF TRUST ONE through SIX is junior  
26 to that of Plaintiffs.

27 158. Plaintiffs request a judicial determination and declaration by this Court that  
28 the Plaintiffs' FIRST NOTE AND FIRST DEED OF TRUST is in full force and effect and

1 that Defendants' JUNIOR DEEDS OF TRUST ONE through SIX are junior in priority to  
2 that of Plaintiffs.

3 159. A judicial determination is necessary and appropriate at this time.  
4

5 **THIRD CLAIM FOR RELIEF**

6 **(Declaratory Relief)**

7 160. Plaintiffs reallege and incorporate by reference paragraphs 1 through 159 as  
8 if fully set forth herein.

9 161. Plaintiffs are informed and believe and thereon allege that STOREY  
10 COUNTY improperly, and without statutory or regulatory authority, permitted THE  
11 OSBORNS to record the Record of Survey.

12 162. Plaintiffs are informed and believe and thereon allege that Storey County's  
13 improper actions resulted in the Assessor improperly lifting a so-called 'cap' on the real  
14 property tax rate which has resulted in a substantial increase in the accruing property taxes.

15 163. Plaintiffs request a judicial determination and declaration by this Court that  
16 Defendant STOREY COUNTY's actions in approving and authorizing the Record of Survey  
17 were in violation of applicable laws and regulations and thus null and void and that THE  
18 OSBORNS have failed to do those things necessary to maintain the Record of Survey in  
19 good standing and that it lapsed by operation of law.

20 164. Plaintiffs request a judicial determination and declaration by this Court that  
21 the Record of Survey is null and void and no longer constitutes an encumbrance upon the  
22 PROPERTY.

23 165. Plaintiffs request a judicial determination and declaration by this Court that  
24 the purported increase in real property taxes asserted by STOREY COUNTY as a result of  
25 the Record of Survey being improperly recorded, be rendered a nullity.

26 ///

27 ///

28 ///



1       **WHEREFORE**, Plaintiffs pray for relief as follows:

2       **An Order adjudging judicial foreclosure and that:**

3               Their interest under the FIRST DEED OF TRUST be judicially foreclosed  
4       and that Judgment, in recordable form, be entered expunging all junior  
5       encumbrances, liens and other charges from the STOREY COUNTY real property  
6       records;

7               The usual judgment be made for the sale of their interest in the PROPERTY  
8       according to law by an appropriate person appointed by the Court;

9               The proceeds of such sale are applied in payment of the amount due to  
10      Plaintiffs; and

11              Defendants and all persons claiming under any documents subsequent to  
12      execution and recording of the FIRST DEED OF TRUST whether as lien claimants,  
13      judgment creditors, person claiming under JUNIOR DEEDS OF TRUST, purchasers,  
14      encumbrances or otherwise be barred and foreclosed from all rights, claims, or equity  
15      of redemption in the PROPERTY when the time for redemption has passed, and

16      **An Order adjudging that:**

17              Plaintiffs hold the senior encumbrance against the PROPERTY and that the  
18      Defendants's interest are junior and subordinate to the interests of Plaintiffs, and

19      **An Order adjudging that:**

20              The Record of Survey was improperly approved by STOREY COUNTY and  
21      as a result is a nullity, and that it has lapsed by operation of law and is of no force  
22      and effect, and as a result, that property taxes accrued since November 19, 2007 are  
23      of no force and effect, and

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1        An Order adjudging that:

2                Plaintiff Morrey have the authority to sell the property in accordance with the  
3                terms of the powers of attorney signed by all Plaintiffs, which includes reimbursement of  
4                expenses plus interest, and

5        An Order awarding attorneys fees and costs.

6  
7        DATED this 25th day of August, 2010.

8                                **HARTMAN & HARTMAN**

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10                                /S/ Jeffrey L. Hartman  
11                                Jeffrey L. Hartman, Esq.  
12                                Attorney for Plaintiffs  
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